

Human Services Client Trust Fund – 721 Trust Accounting
System Procedures

03.004.00

Effective Date: September 12, 1997

Revised:

**Department of Human Services
Client Trust Fund 721
Trust Accounting System Procedures**

These accounting procedures are required for the Trust Accounting System. The procedures are considered minimum requirements for helping establish and maintain an adequate internal control environment associated with the Trust Accounting System. Because these procedures are considered to be minimum guidance, each Division/Office is expected to implement any additional procedures considered necessary and reasonable in order to effectively manage and safeguard the Human Services Client Trust Fund assets.

These procedures cover accounting related issues. Policies regarding the actual management of the Trust Funds are the responsibility of the applicable Divisions.

I. Receipting.

Human Services Client Trust Fund (Trust Fund) receipts should be properly deposited at least once every three business days into a "deposit only" account with the bank. Check receipts should be promptly stamped "for deposit only" and (along with cash receipts) properly safeguarded until deposited into the bank.

Trust Fund receipts shall be posted to the Trust Accounting System in a timely manner, preferably within one day of deposit. The Independent Verification section addresses a compensating control related to the receipting process.

II. Fund Disbursements.

A properly completed and approved Disbursement Request Form (Form 298) is required in order to process a Trust Fund disbursement. The Form 298 is required to be approved and signed by the caseworker. Additionally, the caseworker's supervisor is required to approve and sign the Form 298 if any of the requested checks exceed \$500.

[For on-going residential care payments for Adult Protective Services' clients, the caseworker's supervisor is required to approve the initial monthly payment. Subsequent payments may be processed without the additional supervisor signature for on-going Adult Protective Services residential care payments which exceed \$500 unless there is a change from the prior month. Changes to the payee or the payment amount requires the additional supervisor approval for residential care payments which exceed \$500.]

The Form 298 should be totaled by the caseworker with the total amount written on the form and the total amount initialed by the caseworker.

Completed checks are required to be signed by two separate individuals who verify that the check is reasonable and supported with adequate documentation. Authorized check signers should be limited to as few employees as is reasonable and necessary to provide an adequate back-up and the authorized check signers should be updated timely with employee turnover. Authorized check signers shall not be authorized to approve a Form 298. Blank checks should be kept in a secured lock place only accessible by the Trust Custodian or the Custodian's back-up.

III. Bank Reconciliation's.

Monthly bank reconciliation's shall be performed by the Trust Custodian reconciling the Bank Statement to deposit records, the Trust Fund System, and Disbursement Request Forms.

The monthly Reconciliation Summary form must be completed and signed by the Trust Custodian. The Trust Custodian's supervisor must also sign the monthly reconciliation.

A copy of the completed, signed Reconciliation Summary report along with a copy of the monthly Client Account Balances report shall be submitted to the Bureau of Finance by the 15th of the following month.

IV. Independent Verification.

Independent Division verification of the Trust Custodian's monthly bank reconciliation's shall be performed at least once during each half of the calendar year. The individual performing the verification shall sign and date the sampled monthly reconciliation forms which were reviewed and verified to be proper.